

Central Waterfront Seawall Replacement Project
Response to City Council Letter of January 19, 2010

The Council is committed to having a comprehensive and integrated plan for funding all elements of the Alaskan Way Viaduct and Seawall Replacement Project for which the city is responsible, not just one component of the project.

The October 2009 Memorandum of Agreement obligates the City of Seattle to fund five projects:

1. City utility relocations associated with the Alaskan Way Viaduct and Seawall Replacement Program; and
2. Seawall replacement along the City's central waterfront; and
3. A promenade or public space along the central waterfront; and
4. Other City street improvements including the west phase of the Mercer Corridor Project and partial funding for the Mercer Corridor East and Spokane Street Viaduct projects; and
5. Evaluation of a potential streetcar on First Avenue, including a segment phasing approach.

Consistent with Council SLIs the Mayor will submit options to fund these projects in June.

It should be noted that work to date on the first item has been funded by Seattle City Light and Seattle Public Utilities. Funding has not been secured for the second and third items. Plans for full funding of the fourth item, as inherited from the previous administration, are premised on a grant proposal currently pending before the United States Department of Transportation. The fifth item was not included by the previous administration or the Council in either the proposed or adopted 2010-2015 Capital Improvement Program.

Only the first and second items pose a public safety risk.

Work on the first item is already underway and will continue in 2010.

The Seawall Replacement Project only has secured funding for 2010. Limited general fund dollars have been appropriated for initial 2010 design work and SDOT estimates that accelerated design and permitting schedules for 2010 will likely exceed appropriation authority by approximately \$3 million. No funding has been secured or appropriated for 2011 or beyond.

While you noted in your press comments that your seawall proposal is "not about the Viaduct," the work must take place in the same area and will impact the same businesses impacted by removing the Viaduct structure and building a great waterfront boulevard.

Seawall replacement, utility relocation, viaduct removal, surface street construction, and promenade construction and park development, not to mention tunnel construction, will indeed disrupt the waterfront and all of downtown Seattle. The Mayor is committed to taking steps to

minimize business impacts with seawall replacement, second only to addressing public safety and habitat restoration objectives.

The plan inherited from the previous administration in consultation with the state has always been to replace the seawall prior to removing the viaduct, or taking action on the surface street, promenade and park. The Mayor is merely acting to accelerate design, permitting, and construction of the seawall, consistent with previous agreement with the state.

A comprehensive project plan must be developed in consultation and cooperation with waterfront stakeholders including the Port of Seattle, the State, the County and also adjacent property and business owners.

The city has worked closely with property and business owners for eight years on all facets of seawall and viaduct planning. Close collaboration with the stakeholders identified above has and will continue in the McGinn administration.

It should be noted that a high degree of consultation and cooperation with WSDOT on the tunnel project also continues. SDOT has multiple daily contacts with WSDOT staff on all facets of design and planning in addition to regular biweekly senior staff meetings. SDOT, SPU, and SCL staff are also working closely with the state on the tunnel design/build Request for Proposal.

The Mayor has been clear in his opposition to Seattle paying tunnel cost overruns and that the project should not reach the “point of no return” before this issue is resolved. His position is consistent with the Council’s unanimous vote to approve the October 2009 Memorandum of Agreement, which was silent on the issue of cost overruns. He has directed city departments to continue to work closely with the other agencies pending resolution of this issue.

The work on the Alaskan Way Seawall Interim Repairs project, approved by the Council in the adopted 2006 Capital Improvement Plan, to extend the seawall's life until it is replaced virtually completed, and there is ongoing monitoring of the seawall.

This repair involved the removal of some ekki wood facing, patching of parts of the sheet pile seawall, and installation of a new cathodic protection system at Clay Street in 2007 at a cost of \$1.1 million. The portion of seawall that received this facing repair is outside of the approximately 3,500-foot long Central Waterfront Seawall Replacement Project ten blocks to the south.

From 2002-2004, an earlier settlement repair was undertaken on a 350 linear foot section near the Seattle Aquarium, which overlaps the Central Waterfront Seawall Replacement Project area. This repair involved compaction grouting and riprap at the toe of the wall face at a total cost of \$1.9 million.

Neither of these patch repairs have dealt with the seismic vulnerability of the seawall or addressed systemic damage to the structure. 40-50 percent of the timber relieving platform that supports the seawall and street is significantly damaged because of age, the effects of tidal erosion, and

subsequent harm caused by marine borers and earthquakes. Only 10 percent of the structure's cap beams are fully intact.

In November 2009, SDOT issued a request for qualifications from seawall design teams and should have received responses earlier this month.

Four design teams have submitted Statements of Qualification for consideration on this project. The evaluation team, which includes community members, will be announced later this week. The design team will be selected in mid February, followed by negotiation and agreement on the project timetable, work plan, and consultant rates. A consensus to fund accelerated design work will allow SDOT to pursue an accelerated timetable with the selected design team.

With request for qualification responses from design firms just received, it is premature to suggest we have a reliable price tag or project scope.

Conceptual design, undertaken in collaboration with the Army Corps of Engineers, has been completed for a traditional vertical concrete seawall. This design work forms the basis for SDOT's cost estimate. The contingency has been increased to 50 percent to allow for further design refinement, particularly for areas of opportunity for non-traditional seawall structures.

Until further funding is secured, financial constraints will limit design and permit work. In 2010, \$8.3 million was appropriated for design and permit work. While it is difficult to estimate the precise cash flow impact of accelerating the seawall project, SDOT estimates that an additional \$3 million will be needed to cover the additional design and environmental review for 2010 . The \$12.5 million in funds previously identified as necessary for 2011 seawall work will also grow as costs are shifted forward under an expedited schedule.

Last fall during budget review, SDOT presented an overall project schedule showing that the bulk of the work for the seawall replacement is expected to start in 2013 with substantial completion scheduled for late 2015. You have recently expressed the need for urgent action, including a special election in May 2010 to seek voter approval of bonds.

Urgent action is recommended to address the serious public safety risks posed by the existing seawall. Once the current appropriation of \$8.3 million is exhausted some time this year, the city's only recourse without identifying and securing project funding will be the general fund. Given 2011 deficit projections in excess of \$40 million and the depleted rainy day fund, the Mayor believes that only as a last resort should the general fund assume this burden.

Have you received recent information that causes you to recommend modifications to the seawall replacement schedule presented by SDOT?

Mayor McGinn has received a series of briefings from SDOT staff on the risks and structural integrity of the seawall, which has prompted him to direct SDOT to pursue an accelerated replacement schedule for design, permitting, and construction.

The Council has set a schedule and process for adopting a comprehensive financing plan for the Project. Our commitment to carry this out is reflected in two Statements of Legislative Intent (SLIs) adopted by the Council last fall. These SLIs specifically requested that the Executive report back to Council with a detailed assessment of three specific funding sources for the Project: an increase in the commercial parking tax; the creation of a Transportation Benefit District; and the formation of a Local Improvement District. The Council requested this assessment by June 1, 2010 to help develop a plan to guide proposed Project spending through 2018. We are certainly open to considering other ideas, such as a bond issue or levy, and to receiving that assessment at an earlier date, but the Council believes that it is very important that we have a comprehensive plan so that the public and elected decision-makers are fully informed about what to expect over time.

As noted above, the Mayor is committed to satisfying these SLIs. Given the public safety risk associated with the existing seawall, this part of the SLI response will be transmitted in the first half of February instead of June.

We want to make certain that the City's Central Waterfront Partnership Committee has full opportunity to participate on this issue. The Central Waterfront Partnership Committee has held just one meeting. Legitimate questions have been raised about how to best restore some ecological function to the central waterfront shoreline as part of the seawall replacement. The Waterfront Partnership Committee should be included in any discussion about how, when, and what size funding measures should be considered or placed on the ballot. The Committee members input is vital to the success of the Project.

The Mayor agrees that Central Waterfront Partnership Committee involvement and input is vital to the success of the Central Waterfront Seawall Replacement Project. The administration has expressed this desire to the committee, and meetings are scheduled with the co-chairs to pursue close collaboration on all seawall issues.

The Mayor hopes that the Council will support his efforts to identify resources and flexibility for the committee with regard to unfunded waterfront design work assumed in the second half of 2011 by the Adopted 2010-2015 Capital Improvement Program.

We need to also raise concerns about whether holding a special election this spring is timely. Off-cycle elections are expensive. The last single-issue public vote over Alaskan Way Viaduct Replacement options in 2007 cost the City more than \$1 million and King County confirms that we would be faced with a similar price tag on a single-issue election this May.

A May 2010 election would cost approximately \$1 million. But placing a ballot measure on the August or November 2010 ballot would present similar costs. For example, King County billed the city \$1,045,852.85 for the two questions on the March 2007 ballot cited above. In comparison, King County billed the city \$1,001,484.30 for a single question on the 2006 Primary Election (renewal of the Families and Education Levy).

The City Budget Office is exploring this issue with King County Elections and a full breakdown of potential election costs will be provided later this week.

Lastly, before going to voters to pay for this component of the Project or to approve a comprehensive funding plan for the Project, it is critical that we complete a comprehensive strategic plan to determine what major capital projects the City can afford over the next four years, and which of these needs should be funded by measures requiring a public vote. For example, the Seattle Center Master Plan is not funded, several of our community centers are in need of major repair and renovation, and the Police Departments' North Precinct and Harbor Patrol facilities are in clear need of replacement. The City has asked its citizens for a great deal these past few years and the people of Seattle have been very generous. Voters expect and deserve predictability and a sound financial strategy before we ask again.

The Mayor respects and supports the Council's interest in a strategic comprehensive plan and stands ready to participate in such an effort. Under any scenario, however, life safety risks and nearly nine years of delay place the seawall as the top levy priority for 2010 in the Mayor's opinion. He respectfully requests that the Council join him in accelerating and funding this critical project.

With that in mind, we would like to work with you to make thoughtful and strategic decisions about what priorities we will ask voters to approve at the ballot box over the next four years. We understand that discussions are underway in various City departments to consider whether neighborhood priorities such as targeted transit connections, desired neighborhood sidewalks, safer bicycle connections and parks operations should be submitted to possible public votes for funding. These discussions are in addition to the renewal of the Family and Education Levy which is scheduled to go to voters in 2011 and your stated objective to ask the voters within two years to fund an expanded light rail system. These decisions should be made in a comprehensive, organized, inclusive and transparent manner.

As noted above, the Mayor welcomes such a process.

The new seawall must last generations and be a sound investment ecologically and financially.

The Mayor wholeheartedly agrees, and looks forward to working with the Council to complete this critical infrastructure replacement as soon as possible.